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CHANGES IN THE FARMS OF WEST CENTRAL AND NORTHERN SASKATCHEWAN 1942-43 TO 1947

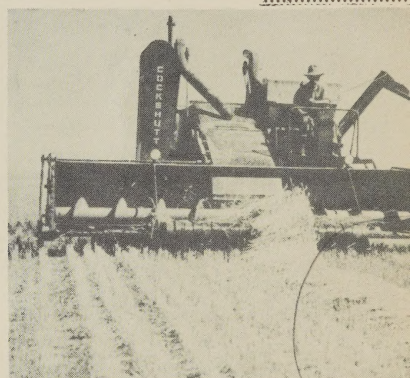
BY
M. E. ANDAL

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WEST CENTRAL
SASKATCHEWAN



NORTHERN
SASKATCHEWAN



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CHANGES IN THE FARMS
OF
WEST CENTRAL AND NORTHERN SASKATCHEWAN
1942 - 43 TO 1947

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M. E. Andal



Canada

DEPARTMENT OF AGRICULTURE
Marketing Service - Economics Division
Ottawa

FOREWORD

This report dealing with the changes in the farms and farmers' income in west central and northern Saskatchewan over a five-year period ending 1947 is complementary to the Saskatchewan part of Changes in Farm Family Living in Three Areas of the Prairie Provinces 1942-43 to 1947, (Canada Department of Agriculture Publication No. 815), by MacNaughton and Andal. The companion studies were conducted by the Economics Division, Marketing Service, Canada Department of Agriculture, and the Department of National Health and Welfare, in co-operation with the Universities of Alberta and Saskatchewan, to determine the changes which had taken place in the levels of living by representative farm families within recent years, and to appraise the factors which had effected these changes.

Three earlier studies served as bases for comparisons. These were reported in the following: Farm Family Living in the Prairie Provinces, By Florence M. Edwards (Canada Department of Agriculture Publication No. 787); An Economic Study of Land Settlement in Representative Pioneer Areas of Northern Saskatchewan, by R.A. Stutt and H. Van Vliet (Canada Department of Agriculture Publication No. 767); and A Farm Business Study of Cory-Asquith-Langham, Saskatchewan, by R.A. Stutt (Canada Department of Agriculture, processed).

The organized field survey during the summer of 1947 was directed by M.E. Andal who was assisted in assembling the Saskatchewan farm business data, by Gordon Haase, James Clarke, Gordon Dobson and Bernard Bowlen.

Acknowledgment is made to Dr. C.C. Spence, Senior Economist for Western Canada, Dominion Economics Division, under whose general supervision the studies were made, and to Professor H. Van Vliet, Head, Department of Farm Management, and R.A. Stutt, officer-in-charge, Dominion Economics Division, both of the University of Saskatchewan, for advice and assistance given in the assembling and analysis of data.

The co-operating agencies are indebted to the many farmers and local officials who gave generously of their time and effort in providing the basic information.

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CHANGES IN THE FARMS OF WEST CENTRAL AND NORTHERN SASKATCHEWAN

1942-43 to 1947

1

M. E. Andall

INTRODUCTION

The period from 1942 to 1947 was characterized by changing farm conditions. Prices were changing and were generally high - high for the products that the farmer sold and high for the goods and services that he bought. In the area of west central Saskatchewan, crop yields varied from the very high yield in 1942 to the near crop failure in 1946. During the war and post-war period, shifts in agricultural production were encouraged to meet changing food requirements. Throughout the same period, farmers felt the impact of a huge backlog of building and machinery requirements which had begun to build up during the depressed thirties. Serious shortages were encountered in machinery repairs and in farm labour.

How have these varying conditions affected the farm business and farm organization? Have these conditions encouraged an increase in the size of farm? How has the type of farming been affected? Are farmers catching up on their building and machinery requirements? Are farms becoming more mechanized? How have expenses and receipts changed in this period of rising prices? Have net returns increased or have increased costs absorbed the benefits of higher prices for farm products? Have labour requirements risen or has increased efficiency permitted a decrease in labour requirements? How has the farmer's net worth been affected? How have real estate values reacted? And probably most important of all, what changes have taken place in living conditions during this period? Answers to these and other questions are provided by farm business studies in central and northern Saskatchewan which were made by the Dominion Economics Division, Canada Department of Agriculture, in co-operation with the Department of Farm Management, University of Saskatchewan, Saskatoon.

Method of Study

The information presented in this report is based on three farm business studies. Two studies, representing the earlier period, were made in two areas of the province, one in west central Saskatchewan and the other in northern Saskatchewan. The third study was made later and included both areas. The earlier study in west central Saskatchewan was made in the summer of 1943 and the year for which the data were enumerated was June 1, 1942 to May 31, 1943. In northern Saskatchewan, the earlier study was made in the summer of 1942 and covered the year June 1, 1941 to May 31, 1942. The third study, representing the last period, was made in the summer of 1947. It covered the year June 1, 1946 to May 31, 1947. Thus, the study of farm changes in this report is concerned with the four-year period from 1943 to 1947 for the west central Saskatchewan area and with the five-year period from 1942 to 1947 for the northern Saskatchewan area.

1/ Assistant Economist, Dominion Economics Division, Canada Department of Agriculture, University of Saskatchewan.

The studies were made by the survey method. Farmers were visited and data related to the various aspects of the farm business were obtained. These data included the utilization of land, inventories of real estate, equipment, livestock and other assets, a summary of liabilities and a summary of the sources and amounts of all receipts and expenditures for the business year.

Only farms in the two areas concerning which information was recorded for both the early year and for 1947 were included in this study. This permitted not only a study of the changes in the organization and activities of the same farms between the two periods but a comparison of those changes between the two areas. There were 123 farms enumerated in west central Saskatchewan and 141 in northern Saskatchewan in 1947. The enumeration in 1947 did not include all the farms visited in the earlier period, since some of the operators had moved, retired or died during the interval.

CHARACTERISTICS OF THE STUDY AREAS

The Area

The studied area of west central Saskatchewan included the rural municipalities of Cory, No. 344; Vanscoy, No. 345; Warman, No. 374; and Park, No. 375. The area is within a 35-mile radius of the city of Saskatoon. Towns and villages in the area included Delisle, Vanscoy, Dalmeny, Langham, Asquith, Warman and Osler. Nearness to the relatively stable and fairly remunerative whole milk market of Saskatoon with its shopping and community facilities, gives the area characteristics which are common only to limited areas of the prairie regions.

Although the area of west central Saskatchewan was partially settled and served by a railroad as early as 1895, it was not considered suitable for farming purposes until, in 1902, an influx of American settlers, with dry farming techniques, demonstrated the possibilities of the area for wheat production. From that period on, settlement was very rapid. The growth of Saskatoon whose status changed from that of an incorporated village in 1902, to a town in 1905 and to a city in 1906 ¹/₂, reflects the spectacular development of the area.

The studied area of northern Saskatchewan included two general regions - in the northeast, the districts of Preeceville-Lintlaw, Bjorkdale-Carragana and Aylsham-Carrot River and in the northwest, the districts of Meadow Lake, Loon Lake and Goodsoil. The location of the areas studied is shown in Figure 1.

The northern area was settled more recently than the area of west central Saskatchewan. Much of it was settled in the early 1930's by farmers forced from the prairies by drought, who bought or homesteaded land in the fringe of settlement. Favourable prices and generally good crops during the war years gave these settlers an opportunity to improve their land and reduce debts so that by 1947 many of the farms were past the pioneer stage of development.

¹/₂ "Historic Saskatoon," J.H. Archer, published by the Junior Chamber of Commerce, Saskatoon, 1947.

The Soil

The area of west central Saskatchewan is representative of the dark brown soil zone of the prairie region. The area lies adjacent to the park belt region. A small part of the rural municipality of Warman lies within the black soil zone. The dark brown soil zone is generally characterized by a natural cover of grass with groves of small aspen and willow bordering depressions.

A wide variation in soil type exists within the studied area of west central Saskatchewan. The heavier-textured soils of the Elstow and Blaine Lake associations are relatively productive and lend themselves to good use in straight grain farming. On the other hand, the low drought resistant, lighter-textured soils of the Asquith and Biggar associations have proved more favourable for a livestock and mixed type of farming enterprise.

The area of northern Saskatchewan is located in the woodland region. Most of the area is in the grey or degraded black zone, the latter being a transition between the black and grey soil zones. The grey soil zone is characterized by an original tree cover with grey-colored top soil that indicates a limited amount of organic matter and a considerable amount of leaching.

In this area, as in the west central area, there is a wide variation in soil type. Some farms included in the study, located in the vicinities of Aylsham and Meadow Lake in the degraded black to black soil zone, are heavy-textured and exceptionally productive. On the other hand, the soil in the Bjorkdale district is extremely light-textured and has a limited value for grain growing. In the Preeceville-Lintlaw district, the grey soil is characterized by a high degree of stoniness and undulating to rolling topography, in addition to the original cover of heavy poplar growth. These features limited progress in bringing this land under cultivation, although it was settled as early as 1905.

The Climate

The area of west central Saskatchewan has a long-time average precipitation of about 13.5 inches. Ordinarily this is sufficient to produce a moderately good crop. There is however, a wide variation in rainfall from year to year. The area is also characterized by high evaporation, which reduces the amount of moisture available for plant growth. The high evaporation and the variability of rainfall subject this area to wide fluctuations in crop yields, which result in a year or series of years in which crop yields are lower than the level necessary to maintain the farm and family.

In northern Saskatchewan, the average annual precipitation is not a great deal higher than that for the area of west central Saskatchewan. There is, however, much less variation in precipitation from year to year. In addition to this, the lower temperatures in the northern areas prevent excessive moisture evaporation and a greater proportion of the moisture is available for plant growth. Crop failures because of lack of rainfall in

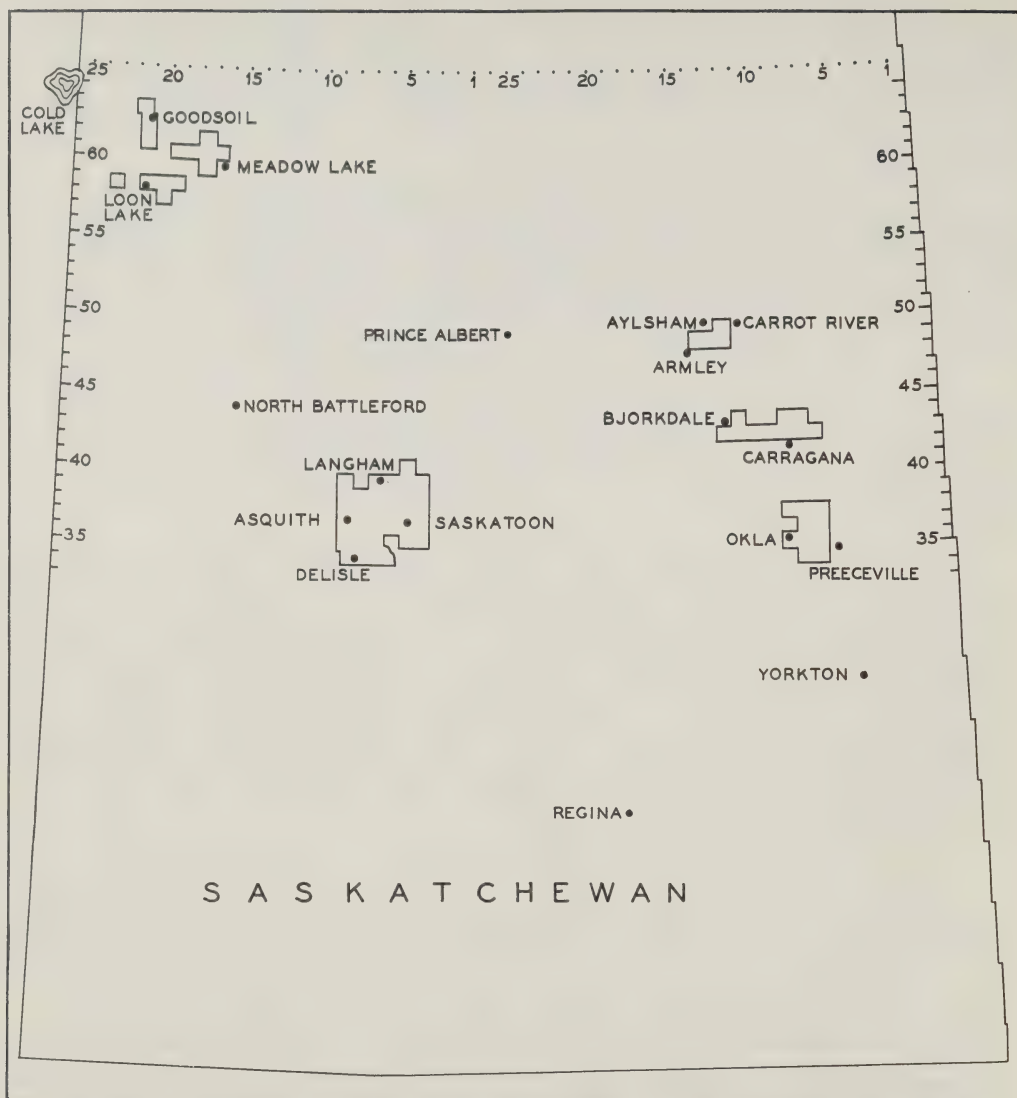


FIGURE I. MAP SHOWING LOCATION OF AREAS COVERED IN WEST CENTRAL AND NORTHERN SASKATCHEWAN FARM BUSINESS STUDIES, 1942—1943 AND 1947,

this area are, therefore, almost unknown. Unfortunately, the favourable growing conditions also apply to weeds and they are a serious problem in most of the area. The lower temperatures and shorter frost-free period result in a certain amount of risk by frost, although earlier maturing varieties of grain have, to a large extent, minimized this hazard. 1/

CHANGES IN FARM ORGANIZATION

The changes in price relationships of farm products which were governed in part by government agricultural policy, shortages associated with the war and post-war period and other factors affected the type of farm organization.

2/ Type of Farm

Certain trends were noted with respect to changes in types of farms. These are shown in Table 1.

1/ For greater detail concerning the extent, soil and climate of the west central and northern areas, see "A Farm Business Study with Particular Reference to the Relation of Farm Types and an Economic Classification of Land, Cory-Asquith-Langham Area, Saskatchewan, 1943", R.A. Stutt, Dominion Economics Division, Marketing Service, Canada Department of Agriculture. Processed. Also see "An Economic Study of Land Settlement in Representative Pioneer Areas of Northern Saskatchewan," R.A. Stutt and H. Van Vliet, Dominion Economics Division, Marketing Service, Canada Department of Agriculture, in co-operation with the Department of Farm Management, University of Saskatchewan. Technical Bulletin No. 52, June 1945.

2/ The amount of labour used in each of the main farming enterprises (crop and livestock) was the basis for determining farm types. Average labour requirements on crop and livestock enterprises were calculated for the west central Saskatchewan area, in 1943, (R.A. Stutt, op. cit., p. 24). This was applied to the records of the present study and provided for the establishment of farm types. Farms using 77 per cent or more of the labour requirements on crops were designated as crop farms. Farms devoting 37 per cent or more of the labour requirements to livestock were classed as livestock farms, and those in the intermediate position were called mixed farms. Livestock farms were further divided into general and whole milk farms. Thus, four types were designated.

Table 1.- Numbers of Farms by Type, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- number -						
West Central Sask.	1943	35	23	34	31	123
	1947	37	22	24	40	123
Northern Sask.	1942	31	84	26	-	141
	1947	23	83	35	-	141

In west central Saskatchewan, there had been no appreciable change in the proportion of the crop and of the livestock types. The main shift had been from farms of the mixed to the whole milk type. This shift was evidently due to the proximity of the area to Saskatoon and to the relatively high and stable returns offered by the whole milk market there.

In northern Saskatchewan in 1947, the farms were still predominantly of a livestock type. The main change that occurred in the period between the two surveys was that the number of crop farms had decreased by more than 25 per cent and the number of mixed farms had increased correspondingly.

Size of Farm

For the purpose of this study, size of farm is expressed in terms of the cropland acreage. The comparative cropland acreages for the two survey years, by type of farm, are shown in Table 2.

Table 2.- Acres Cropland According to Type of Farm West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- acres cropland -						
West Central Sask.	1943	412	218	320	346	334
	1947	479	241	342	395	382
Northern Sask.	1942	216	81	178	-	128
	1947	295	99	208	-	158

There was an increase of cropland acreage in all types of farms in west central Saskatchewan. The largest increase occurred in the crop and whole milk farms. The average size of crop farm increased from 412 cropland acres

in 1943 to 479 in 1947; average size of whole milk farms increased from 346 to 395 acres. These increases were two to three times greater than those shown for livestock and mixed farms. In northern Saskatchewan, crop farms also showed the greatest increase in size for this period. The average increase of 79 acres on crop farms was two and one-half times the increase on mixed farms and about four times the increase on livestock farms. The average increase on all farms in northern Saskatchewan was 18 acres less than the increase on all farms in the west central area. In both areas, the greatest increase in farm size occurred in those types whose acreages were already largest.

The purchase or renting of land accounted for most of the increase in cropland acreage in west central Saskatchewan, since most of the arable land was already under cultivation at the time of the earlier survey. In northern Saskatchewan, on the other hand, much of the arable land was not improved in 1942. This allowed an increase in cropland acreage on the land already possessed. On the average, about three-tenths of a quarter-section was added to the farms of west central Saskatchewan by purchase or renting, while only half as much was added to the farms in northern Saskatchewan by this method. Conversely, the northern Saskatchewan farmers, by improving the land they already possessed, increased their cultivated acreage 11 acres per quarter while west central Saskatchewan farmers increased their cultivated acreage by about one-quarter as much by this method.

Tenure

There had been a significant trend toward land ownership in the two areas of Saskatchewan. Only seven per cent of the farms were rented in the west central Saskatchewan area in 1947, compared to 22 per cent in 1943. Only two of the farms studied in northern Saskatchewan were fully rented in 1947. Eighty-five per cent of the farms in northern Saskatchewan and almost 60 per cent of the farms in west central Saskatchewan were fully owned in 1947. In comparison, only 68 per cent of the farms in northern Saskatchewan and 37 per cent of the farms in west central Saskatchewan were fully owned in the earlier period.

This marked trend toward land ownership by comparison of numbers of owners, part owners and tenants for the two survey years is shown in Table 3.

Table 3.- Tenure: Number and Per Cent of Owners, Part Owners and Tenants, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Tenure							
		Owners		Part Owners		Renters		All Farms	
		No.	%	No.	%	No.	%	No.	%
West Central Sask.	1943	45	37	51	41	27	22	123	100
	1947	73	59	22	18	7	7	123	100
Northern Sask.	1942	96	68	41	29	4	3	141	100
	1947	120	85	19	13	2	1	141	100

1/
Numbers of Livestock

The changes in numbers of the various kinds of livestock kept indicate further the changes in farm organization and practices. The changes in total productive animal units of livestock, between the two surveys, are shown in Table 4.

The increase in livestock numbers was somewhat greater for the northern area than for west central Saskatchewan. In west central Saskatchewan, the average increase on all farms amounted to only one animal unit and there was little change in the numbers for each farm type. In northern Saskatchewan, livestock farms added an average of three animal units, mixed farms added two animal units, while crop farms added an average of only one animal unit per farm.

Table 4.- Productive Animal Units According to Farm Type, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- animal units -						
West Central Sask.	1943	9	18	15	22	15
	1947	8	18	15	24	16
Northern Sask.	1942	5	12	9	-	10
	1947	6	15	11	-	13

In regard to changes in specific types of livestock, several trends were noted. Sheep were of little importance in both areas. Farms of west central Saskatchewan had an average of two sheep in the earlier survey and this was increased to three by 1947. The number of sheep in the northern area remained unchanged at an average of one sheep per farm. Sheep were kept mainly on livestock farms; in 1947 there was an average of 10 sheep for the 22 livestock farms in west central Saskatchewan and an average of two sheep for the 83 livestock farms in northern Saskatchewan.

Cattle constituted the bulk of livestock on the farms in both areas. In 1947, nearly fourteen of the sixteen animal units on west central Saskatchewan farms were cattle and about ten of the thirteen animal units on northern Saskatchewan farms were cattle. None of the farm types in either area reduced the numbers of cattle between 1942 and 1947. In west central Saskatchewan, grain farms had an average of six animal units in both years. Whole milk farms

1/ Because of differences in kinds and ages of farm livestock, the livestock are expressed as "animal units". An animal unit is the equivalent of a mature cow. The standard used for converting livestock to animal units was as follows: 1 mature horse equals 1.5 a.u.'s; 1 other horse equals 1.0 a.u.; 1 cow equals 1.0 a.u.; 1 heifer or steer equals 0.7 a.u.'s; 1 calf equals 0.3 a.u.'s; 1 sheep (any age) equals 0.2 a.u.'s; 1 sow or boar equals 0.33 a.u.'s; 1 other hog equals 0.2 a.u.'s; and 100 poultry equal 1.0 a.u.

made the greatest increase in cattle numbers, having added about three animal units between 1943 and 1947. In northern Saskatchewan, grain farms added about one animal unit of cattle between 1942 and 1947. Other farm types added about two animal units of cattle in the same period. Attractive prices for cattle and dairy products had increased cattle numbers in spite of the higher production costs.

The opposite trend was noted with respect to hog production in the west central area. The average number of hogs decreased from three animal units (the equivalent of nine sows or 15 other hogs) in 1943, to less than one animal unit in 1947. In northern Saskatchewan hog numbers had been maintained on crop farms. On livestock and mixed farms there was a slight increase amounting to an average of about two or three hogs per farm.

Hog numbers were increased in west central Saskatchewan during the early 1940's in line with the general policy of reducing wheat acreages, increasing the acreages of coarse grains and increasing livestock production. During the post-war years the rising coarse grain prices made the growing of hogs less profitable and hog numbers were generally reduced to the amount that would provide the family with meat. In northern Saskatchewan, where conditions were more adaptable to the growing of coarse grains, hog production was increased slightly over the 1942 level.

There had been some increase in poultry numbers in the two areas from 1942 to 1947. The increase was not large enough, however, to indicate that poultry production was being carried on very extensively. In 1943, the average farm flock in west central Saskatchewan was from 60 to 70 birds and in 1947, 110 birds. On most farms poultry was kept for home use and the sale of eggs was limited to seasons when egg production exceeded the supply required in the farm home. The situation appeared to be quite similar in northern Saskatchewan. Grain farms had an average of 10 to 20 fewer poultry than livestock or mixed farms. In 1942, there were 50 birds in the average farm flock and this was increased to about 90 birds by 1947.

The number of work horses remained fairly constant in the two areas. In west central Saskatchewan there was an average of five work horses in 1943 and four in 1947, indicating the further decline in use of horses for power. In northern Saskatchewan there was an average of four work horses per farm in both survey years. Although power requirements had increased with the larger-sized farms, such requirements had been met by the use of tractor power.

Machinery and Equipment

A tabulation of the number of the various types of machines in use indicated the trend toward a greater mechanization of farms (Table 5). This trend was encouraged during the period from 1942 to 1947 by the labour shortage and in spite of machinery shortages.

In 1943, there were 80 tractors on the 123 farms studied in west central Saskatchewan. By 1947, the number had increased to 104. In northern Saskatchewan, the increase was even more pronounced, and the 95 tractors shown on the 141 farms of this area in 1947 represented nearly double the

number owned in 1942.

Table 5.- Number of Farm Machines on Farms, West Central and Northern Saskatchewan, 1942-43 and 1947.

	Year	Farms	No.	Machines				
				Tractors	Combines	Cars	Trucks	One-way Threshing Discs
- number -								
West Central Sask.	1943	123	80	19	78	38	55	25
	1947	123	104	42	89	38	88	27
Northern Sask.	1942	141	57	1	40	19	13	19
	1947	141	95	10	55	32	33	36

The number of combines in the west central area more than doubled between 1943 and 1947. In northern Saskatchewan there was only one combine on the 141 farms in 1942 and this had increased to 10 by 1947. It is only in recent years that combines have been accepted as suitable for use in the northern area. In 1947 their numbers were being increased as rapidly as they could be supplied.

The increasing popularity of the recommended practice of surface tillage was indicated by the increase in number of one-way discs on farms in the area. In the area of west central Saskatchewan there were 55 one-way discs in 1943 and 88 in 1947. There were only 13 one-way discs on the 141 farms in northern Saskatchewan in 1942 and 33 in 1947.

A further tabulation of numbers of machines by farm types showed that in the area of west central Saskatchewan, most of the increases in machines occurred among the grain and whole milk farms. In the northern area the increase in the number of machines was general in all farm types.

Land Utilization

The changes in farm types and sizes were accompanied by changes in the acreages of the various crops sown. Acreages of wheat for the two areas are shown in Table 6.

Table 6.- Wheat Acreage According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
				- acres -		
West Central Sask.	1943	135	47	97	76	93
	1947	194	72	127	103	130
Northern Sask.	1942	60	21	56	-	36
	1947	69	23	54	-	39

From 1941 to 1943 the Federal Government's Wheat Acreage Reduction Policy was in effect. For this reason, wheat acreages in 1943 were below normal. Consequently, the 1947 wheat acreages were higher than those for the earlier period. In west central Saskatchewan the average wheat acreage increased from 93 to 130 for all farms. This represents an increase of 40 per cent. The greatest proportional increase in acreage seeded to wheat occurred on livestock farms. Crop farms, on which wheat acreages were largest, showed the next largest increase, approximately 44 per cent. Whole milk and mixed farms showed increases in their wheat acreages of 36 and 31 per cent, respectively.

In northern Saskatchewan the increase in wheat acreage was very small, amounting to only three acres per farm, or to eight per cent. This was considerably less than the increase in cropland acreage, which amounted to 20 per cent. The small increase in wheat acreage indicated that the reduced wheat acreage in the earlier period, resulting at least partially from the Wheat Acreage Reduction policy, was maintained after the policy terminated. The smaller proportion of cropland seeded to wheat in 1947, in the northern area, indicated, too, the relative adaptability of coarse grains and other crops to the area.

7. Further changes in acreage seeded to various crops are shown in Table

Table 7.- Utilization of Land, West Central and Northern Saskatchewan,
1942-43 and 1947.

							Crop		
							All		
							Other	Summer--	Total
Area	Year:	Wheat:	Oats:	Barley:	Rye:	Flax:	Crops:	fallow :	
	:	:	:	:	:	:	:	:	:
							- acres -		
West Central Sask.	1943	93	78	33	17	5	11	97	334
	1947	130	75	22	12	2	23	118	362
Northern Sask.	1942	36	28	13	1	1	10	39	128
	1947	39	29	22	-	-	18	50	158

The acreages seeded to oats did not change significantly from 1942 to 1947 in either area. Barley acreages decreased by one-third in the area of west central Saskatchewan and nearly doubled in northern Saskatchewan. The coarse grain (barley and oats) acreages decreased by an average of 14 acres in west central Saskatchewan and increased by 10 acres per farm in the northern area. The decrease in the coarse grain acreage on farms of west central Saskatchewan may also be due to the termination between the two surveys, of the Wheat Acreage Reduction policy which had encouraged the growing of coarse grains in 1942 by the payment of bonuses on coarse grains.

In general, farms of the west central Saskatchewan area increased the percentage cropland in wheat and summerfallow and reduced the proportional acreages in coarse grains, rye and flax. In northern Saskatchewan, the percentage of wheat was reduced slightly; there was no change in the proportion sown to coarse grains and only a slight increase in the percentage of summerfallow. In northern Saskatchewan, from 1942 to 1947, there was little change in the proportion of cultivated land sown to the various crop.

FINANCIAL CHANGES

Among the more important factors effecting changes in receipts, expenses and the financial progress of the farmers, were the price levels of farm products and those of the goods and services purchased by farmers. Any single index indicating farm prices for Canada as a whole can only approximate the index for a local group of farms. However, a general price index is useful in showing the comparative changes in the prices of goods sold by farmers and of goods purchased by them. These indexes are shown in Table 8. The price indexes are shown for the year preceding the farm business survey, since the survey applies to the crop year preceding it.

Table 8.- Price Indexes of Farm Products and of Goods and Services Purchased by Farmers Canada 1941-42 and 1946.

Year	Commodity			
	Goods and Services Purchased by Farmers	Field	Animal	Total
- Index (1935-39=100) -				
1941	109.9	88.9	124.4	106.6
1942	116.7	109.7	144.6	127.1
1946	141.7	148.8	181.2	165.0

Sources: Prices and Price Indexes, Prices Board, Dominion Bureau of Statistics, Department of Trade and Commerce.

Price Index Numbers of Commodities and Services Used by Farmers, Prices Board, Dominion Bureau of Statistics, Department of Trade and Commerce.

Prices of farm products increased nearly twice as much as the prices of goods and services purchased by farmers between 1941 and 1946; this price relationship was favourable to the farmer.

Farm Receipts

Crop yields, as well as the general price level, have an important bearing on farm receipts. The area of west central Saskatchewan is subject to considerable yield variability, which was exemplified by the yields in the two studied years. In 1942, crop yields in west central Saskatchewan were very high but in 1946 were low enough to allow many of the farmers to qualify for Prairie Farm Assistance "crop failure" payments. The variable

yields associated with farms of west central Saskatchewan and the relatively stable yields of northern Saskatchewan, for the two studied years, are shown in Table 9.

a/
Table 9.- Crop Category, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Crop Category				
		Failure	Low	Medium	High	Total
- number of farms -						
West Central Sask.	1943	3	11	30	79	123
	1947	17	82	20	4	123
Northern Sask.	1942	5	36	49	51	141
	1947	13	40	39	49	141

a/ See Appendix A for the basis on which the crop categories were established.

Seventy-nine farms in west central Saskatchewan had high crop yields in 1942 compared to only four in 1947. Conversely, 11 farmers had low yields in 1942, compared with 82 in 1947. The large difference in yield had a significant effect on the gross returns and net incomes of the farmers for the two years in question. In northern Saskatchewan, there were more farms in the lower yield category and fewer in the higher category in 1947 than in 1942, but the shift was not nearly as great as occurred in west central Saskatchewan.

In the following discussion, current sales do not necessarily show the gross current income from that enterprise, since additional returns may exist in the form of increased inventories. Conversely, the gross current income from an enterprise may be less than the sales of the product, since the sales may represent from partial to complete depletion of inventories on hand. Comparative cash returns for various enterprises do indicate, however, changes over the four or five-year period and the effect of farm type and size on these changes.

1/
Crop Sales.- Wheat, oats, barley, rye and flax constitute the main crop sales. A comparison of crop sales for various farm types is shown in Table 10.

1/ Crop sales are based on the initial price received for wheat. Further payments for the different crop years involved, basis No. 1 Northern, have been as follows: 1941-42 - \$0.15 per bushel; 1942-43 - \$0.125 and 1946-47 - \$0.40. See Appendix D.

Table 10.- Crop Sales According to Farm Type, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Crop	Livestock	Type of Farm		
				Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	2,106	725	1,565	1,219	1,475
	1947	2,261	642	1,238	1,096	1,393
Northern Sask.	1942	662	221	585	-	385
	1947	3,142	556	1,659	-	1,252

In both years studied, west central Saskatchewan receipts from the sale of crops were highest on crop farms, followed by mixed and whole milk farms. Livestock farms had the lowest receipts from crop sales in both years. The same relation existed between farm type and crop sales on farms of the northern area in both years of the study.

In the area of west central Saskatchewan, all the farm types, except crop farms, had slightly lower crop receipts in 1947 than in 1943. Crop farms showed an increase of about \$150 per farm in crop sales. While the price of crops had risen about 35 per cent (Table 8), and the wheat acreage had increased about 40 per cent from 1943 to 1947, the low yield in 1947 offset the effects of higher prices and larger acreages, with the result that crop sales remained about the same and in some cases were lower in 1947 than in 1943.

In the area of northern Saskatchewan, farmers benefited from the higher grain prices of 1947 since yields were about average. On crop farms, crop sales increased from an average of \$660 in 1942 to an average of \$3,150 in 1947. Crop sales on livestock farms more than doubled and on mixed farms nearly tripled during the same period. Crop sales on all farms in northern Saskatchewan averaged only \$385 in 1942 and had risen by more than 300 per cent to \$1,252 in 1947.

Such large increases in crop sales of northern Saskatchewan farms were not alone the result of higher prices since the increase in price amounted to only about 35 per cent. At the time of the earlier survey, a large proportion of the total grain produced was fed to livestock and farms were just passing into the stage of development where surplus grain was available for sale. By 1947, cropland acreages had increased and nearly all of the extra grain produced was available for sale. The extra amount of grain above livestock feed requirements probably accounted for a large part of the increase in crop sales.

A comparison of the two areas shows that in 1942 average crop sales were several times greater in west central Saskatchewan than in the northern area. By 1947, however, crop sales in northern Saskatchewan had increased and those in west central Saskatchewan had decreased so that they were nearly

Table 11.- Livestock Sales According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

In west central Saskatchewan, sales of livestock increased for all farm types. The increase was greatest on whole milk farms, where 1947 sales were more than double those of 1943. Livestock sales on all farms of this area increased from \$504 to \$705, or 40 per cent. In northern Saskatchewan, livestock sales increased about 50 per cent on livestock farms and decreased slightly on crop and mixed farms. The increase on all farms in the area amounted to 30 per cent.

Other Farm Produce Sales.— Other farms products included dairy produce, eggs, wool, hides, garden produce and wood. The major items of this group were milk, cream and eggs. On whole milk farms, milk sales constituted the largest item in the category of other farm produce sales. On farms of other types, cream sales were the largest item in this category. Sales of other farm produce are shown in Table 12.

Table 12.- Other Farm Produce Sales According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

	:	:	:	Type of Farm		
Area	: Year :	Crop :	Livestock :	Mixed :	Whole Milk :	All Farms
	:	:	:	:	:	:
	- dollars -					
West Central Sask.	1943	230	438	322	2,286	813
	1947	303	572	503	2,413	1,076
Northern Sask.	1942	60	131	126	-	115
	1947	104	322	232	-	264

The receipts from other products varied according to type of farm. In the area of west central Saskatchewan, receipts from other farm produce were several times larger on whole milk farms than on any of the other farm types. In both areas and excluding whole milk farms, sales of other farm products were highest on livestock farms, followed by mixed and crop farms.

All farm types in both areas showed increases in sales of other farm products from 1942 to 1947. These amounted to slightly more than 30 per cent on farms in the area of west central Saskatchewan and to 130 per cent on the farms of the northern area.

Total Cash Farm Receipts.- Sources of farm receipts in addition to those mentioned above are equipment sales, custom work, miscellaneous and, in 1942 and 1943, the Wheat Acreage Reduction bonuses. Total cash farm receipts for the two years by farm type are shown in Table 13.

Table 13.- Total Cash Farm Receipts According to Type of Farm,
West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	3,193	2,258	2,961	4,494	3,282
	1947	3,684	2,145	2,730	5,238	3,728
Northern Sask.	1942	1,537	986	1,546	-	1,210
	1947	4,236	1,741	2,719	-	2,391

The variation in farm receipts is not due to farm type alone, as the above table might suggest. Farm size, for example, is an important factor affecting the amount of farm receipts. The effect of farm type on farm receipts can more readily be seen by examining receipts on a per acre basis.

Table 14.- Total Cash Farm Receipts per Cropland Acre According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars per acre -						
West Central Sask.	1943	7.75	10.36	9.25	12.99	9.83
	1947	7.69	8.90	7.98	13.26	9.75
Northern Sask.	1942	7.12	12.17	8.69	-	9.45
	1947	14.36	17.59	13.07	-	15.13

In west central Saskatchewan, cash farm receipts per cropland acre were considerably higher on the whole milk farms than in other farm types. Crop farms represented the least intensive type of organization on this basis and had per-acre returns of more than \$4.00 less than those to whole milk farms. Per-acre returns to crop and whole milk farms remained about the same for the two years, while corresponding returns to livestock and mixed farms were reduced by about \$1.25 between 1943 and 1947. On all farms of this area, there was no large per-acre difference in the average farm receipts of 1943 and 1947.

In northern Saskatchewan, livestock farms represented the most intensive type of farm in 1942 and also in 1947. Crop farms had the lowest per-acre return in the earlier year and had moved to second place by 1947. There was a substantial increase in per acre returns between 1942 and 1947, in all farm types. The increases ranged from 45 per cent on livestock farms to about 100 per cent on crop farms. On all farms the average increase in per-acre returns amounted to 60 per cent.

The difference in the inherent productivity of the two studied areas is exemplified in Table 14. In 1947, per-acre returns of farms in northern Saskatchewan were nearly double the returns of corresponding farm types in the west central area. In the same year, average per-acre returns of all farms in northern Saskatchewan were higher than the corresponding returns of the whole milk farms in west central Saskatchewan. The 1942 per-acre returns of farms in northern Saskatchewan were nearly as high as the abnormally high returns shown for the west central area in 1943. These, however, are only total cash receipts. The higher costs associated with farming in the northern area reduces the difference in the net returns per acre of the two areas.

Farm Expenses

The higher level of prices, which provided an impetus to expansion of farm receipts, also had its effect on farm expenses. While the rise in prices of goods and services purchased by farmers was not as great as the rise in prices of farm products, nevertheless, a substantial rise in expenses took place (Table 8). There were numerous types of farm expenses; these were grouped under general headings for comparison.

Tractor Operating Costs.- Tractor operating costs included expenditures for fuel, oil, grease and repairs.

Table 15.- Tractor Operating Costs According to Type of Farm,
West Central and Northern Saskatchewan, 1942-43 and 1947

Area	Year	Crop	Livestock	Type of Farm		
				Mixed	Whole Milk	All Farms
				- dollars -		
West Central Sask	1943	177	104	133	166	149
	1947	489	130	277	426	363
Northern Sask.	1942	139	35	127	-	75
	1947	562	127	246	-	227

A considerable rise in tractor operating costs between 1942 and 1947 is shown in Table 15. On all farms in west central Saskatchewan, tractor costs increased nearly 150 per cent. In northern Saskatchewan, on all farms, tractor costs increased by 200 per cent and as much as 300 per cent on the crop type. The large additional expenditure in this item can be said to be due to three causes: (1) increased mechanization, (2) extension of cultivated acreage and (3) the increased cost of operating a tractor.

It must be borne in mind that the additional expenses on tractors have tended to reduce the cost of operating horse-drawn equipment.

In terms of costs per acre, tractor operating costs increased from \$0.45 per acre to \$0.95 in west central Saskatchewan, and from \$0.59 to \$1.44 in the northern area. Thus tractor costs were about \$0.50 per acre more in northern Saskatchewan than in the west central area. The operation of smaller, weedier farms, with consequent intensive cultivation requirements, together with higher transportation charges on fuel, accounted for much of the higher cost in the northern area.

Other Farm Expenses.— The other main costs were taxes on real estate, truck costs, custom work, automobile operation and seed purchases (Table 16).

Table 16.— Cash Farm Expenses for Various Items, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Cash Farm Expenses				
		Taxes	Truck Costs	Custom Work	Auto Farm Use	Seed Purchases
- dollars -						
West Central Sask.	1943	107	56	306	41	58
	1947	127	82	145	78	80
Northern Sask.	1942	51	18	113	11	17
	1947	81	54	142	32	59

Taxes had increased in both areas. In terms of taxes per acre of cropland, however, taxes remained at \$0.32 per acre in both years in the west central area and increased from \$0.40 to \$0.50 per acre in northern Saskatchewan. The increased taxes in the northern area were due to an upward adjustment in assessed values in certain localities as well as an increased mill rate.

In west central Saskatchewan, payments for custom work in 1947 were only one-half of what they were in 1943. There was more custom work done in 1943 than in 1947 because of the scarcity of farm machinery and the exceptionally large crop. The greater number of tractors and combines on farms was also a reason for less custom work in the latter year.

In northern Saskatchewan, an increase in custom work expenses occurred in spite of the increase in numbers of tractors, combines and other machinery. By 1947, there was only one combine for every 14 farms. The larger acreages and increased popularity of combine harvesting probably accounted for some of the increase in custom work expenses for this area.

In this study, where no truck was available, the automobile expenses were divided equally between farm and living expenses. If the farmer owned a truck, all of the automobile expenses were classed as living expenses. Automobile expenses for farm use nearly doubled in the west central area and doubled in the northern area from 1942 to 1947.

Seed purchases increased in both areas and the greater increase occurred on farms of the northern area. The amount of seed purchased varied from year to year depending on the crop yield the preceding year, the quality of seed produced, and the management practices of the farmers concerned. In northern Saskatchewan, the purchase of seed for special crops, such as peas and alfalfa and registered grain, may have accounted for the increase in seed purchases.

Other cash farm expenses included hired labour, hardware, seed treating and cleaning, feeds and supplements, pasture costs, binder twine and miscellaneous items. Total cash farm expenses by type of farm are shown in Table 17.

Table 17.- Total Cash Farm Expenses According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	1,309	769	1,096	1,680	1,243
	1947	1,682	835	1,233	2,227	1,620
Northern Sask.	1942	669	357	608	-	472
	1947	1,830	702	1,296	-	1,034

The cash farm expenses increased in nearly all farm types in both areas. Farm cash expenses showed the greatest increase on whole milk farms in the west central area. This increase amounted to about 33 per cent, which was approximately three times the increase on livestock farms. In northern Saskatchewan, crop farms had a very large increase in farm cash expenses, increasing from less than \$700 in 1942 to over \$1800 in 1947. Mixed farms showed the next highest increase and livestock farms, the smallest increase in farm expenses. Average cash farm expenses on all farms increased by 119 per cent. This was about four times greater than the corresponding increase shown in west central Saskatchewan.

The large increase in farm expenses in the northern area was due not only to the rise in prices for the goods and services purchased by the farmer, but to the change from the general pioneering and partially self-sufficient type of organization to a more specialized and commercial type. With this change, there was a change over from horse power, for which no cash outlay was required for feed, to tractor power with relatively high operating cash costs.

As mentioned previously, increases in receipts and expenses in northern Saskatchewan far exceeded the changes in west central Saskatchewan. Contributing factors were the increasing farm size and maturing stage of development of the northern area.

Other Main Expenditures.— Apart from current farm operating costs, expenditures are of three main classes: (1) payments on debt, (2) payments for capital goods and (3) expenditures for family living. These are shown in Table 18.

Table 18.— Expenditures for Debt Payments, Capital Goods and Cash Living, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Expenditure							
		Debt		Capital		Cash		Total	
		Payment		Expenditure		Living			
		\$	%	\$	%	\$	%	\$	%
West Central Sask.	1943	408	21	656	34	871	45	1,935	100
	1947	316	10	1,433	47	1,303	43	3,052	100
Northern Sask.	1942	122	12	360	36	529	52	1,011	100
	1947	115	6	958	47	968	47	2,041	100

Between the two periods in both areas, debt payments declined. In terms of the proportional expenditures for this service, these payments were reduced by one-half.

There was a substantial increase in capital expenditures. These more than doubled in west central Saskatchewan and nearly tripled in northern Saskatchewan. In terms of the proportional increase, the increase amounted to 13 per cent in the west central area and to 11 per cent in the area of northern Saskatchewan. The large backlog of machinery and building requirements together with fairly large reserves, encouraged substantially increased expenditures for capital goods.

Increased expenditures were evident, too, for living. In the west central area, cash living expenses increased by about \$430 or 50 per cent, and in the northern areas by about the same but amounting to 83 per cent.

Total outlay for payment on debt, capital expenditure and on living expenses increased by over \$1,000 or 48 per cent, in the west central area, and by about the same amount but over 100 per cent in the northern area.

1/ The size of net returns is affected by the basis on which the various items of costs and returns, including non-cash items, are calculated. The basis of these calculations is shown in Appendix B. Additional payments for wheat have increased the size of returns shown in this section. See Appendix D.

when the crop failed. The other types felt the impact of the poor crop yield in 1946, but with alternative sources of income their net returns were not reduced as drastically as that of crop farms.

Probably the long-time average returns in the area from crop farms were greater than from either mixed or livestock types. However, the large decline in income emphasizes the need of some sort of reserve provided possibly in some form of crop insurance, to meet expenses in poor crop years. Long-time average incomes will be dealt with later.

In northern Saskatchewan, the average 1947 return to capital and operator's labour was higher on all farm types by 28 per cent than the 1942 return (Table 19). Crop farms showed the largest increase in returns, the increase amounting to nearly 125 per cent. In 1942, crop farms had the lowest return to capital and operator's labour and, in 1947, the returns had advanced to well above those of mixed and livestock farms.

With respect to comparative returns to farms of the two areas, the average return to all farms in the west central area was about \$170 greater than that to farms in northern Saskatchewan in 1947. The difference in 1942, however, was about \$1,600. The gap between the size of returns in the two areas had narrowed considerably.

The crop yield on farms of northern Saskatchewan, in 1947, was slightly below that for 1942. In spite of this, however, the net return to capital and operator's labour was higher, due in a large measure to the increased acreage under cultivation and the higher prices of farm products.

Labour Income.— The foregoing discussion has been concerned with the return to operator's capital and labour. The use of another measure for returns will now be discussed. If a farmer is working with borrowed money, he has to pay interest on that money and the interest is a farm expense. Others, whose farms are clear of debt, might take the view that if their money were not invested in the farm, it could be invested elsewhere with a guaranteed return. These differing viewpoints make desirable the expression of returns in another form - one which allows for the investment costs; the residual income would then represent the return to the operator for his labour and management. Such a return is called "labour income". An interest rate of 1/ five per cent is generally used for investment cost and this rate is used here.

1/ Two general types of interest rates might be used for investment cost depending on the circumstances under which the capital is used. If the farmer is working with borrowed money, an interest rate of five or six per cent would be a justifiable expense since it is the approximate cost of most loans. On the other hand, if the farm is clear of debt, an interest rate of about three per cent might be more appropriate. This represents an alternative cost and is about equal to the probable return from sound investments. Since most operators are not in debt to the full extent of their farm capital, there may be some question as to the appropriateness of the higher rate of five or six per cent. It would seem, therefore, that a more accurate picture of costs would be represented by allowing an average investment cost of about five per cent on borrowed capital and about three per cent on the balance of the farm capital. Estimates of labour income and labour earnings on this basis for the same groups of farms as in Tables 20 and 21 have been calculated and these are given in Appendix C.

The labour incomes for the two periods by type of farm in the two areas are presented in Table 20. Again, the returns shown are to the operator and not to the farm unit.

Table 20.- Labour Incomes According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	1,839	1,368	1,331	2,139	1,686
	1947	- 160	155	135	258	90
Northern Sask.	1942	63	334	282	-	266
	1947	155	201	227	-	201

Generally, the above table shows the same relationships and changes from 1942 to 1947 as the return to capital and operator's labour in Table 19. It does raise some points, however, which warrant discussion.

The returns to the operator in 1947 were quite low. They amounted to \$90 on farms in the west central area, \$201 on farms in the northern area and were as low as minus \$160 on crop farms in the west central area. Labour incomes were a little higher in northern Saskatchewan on the same types of farms. Obviously, living expenses far exceeded the returns indicated. The question might be asked, "Did the operator have to go in debt in order to provide food, clothing, etc., for his family?" For this particular year, the answer is "No". There were several non-cash items of expense which did not have to be met in 1947. The setting aside of funds to cover depreciation on buildings and machinery generally does not take place in a formal way. Capital expenditures are generally postponed in poor years until a greater surplus is on hand. Unpaid labour does not represent a cash cost and this amount is available for such purposes as the farmer sees fit. Similarly, interest on the capital investment, where the farm is free of debt, does not constitute a cash cost and these funds are also available for expenditures on living or capital investment. Thus, while these items represent true or actual costs, the operator may defer these farm expenditures for a single year or for several years, in order to maintain living expenditures without going in debt. In addition to this, the farmer might have surpluses from previous years, which would be available for years when income is low.

To show what income would be available for family living over a long-time period, the returns shown in Table 20 could be increased by the amount of investment cost and the value of unpaid labour. That is, if the operator paid all expenses and set aside the funds required as reserves for depreciation, the net return available for farm family living, would be higher than the returns shown in Table 20, by the amount of investment cost and the value of unpaid labour.

Labour Earnings.- Labour earnings is another measure to indicate farm returns. Sometimes a comparison is desired between the average income of farm operators and that of urban wage earners. The various returns described above are inadequate for this purpose, since they make no allowance for the value of farm produce consumed by the family or for the use of the house. When the value of the farm products used and the use of the house is added to labour income, the resulting income is called labour earnings. A summary of labour earnings, on farms of the two areas, appears in Table 21.

Table 21.- Labour Earnings According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
		- dollars -				
West Central Sask.	1943	2,331	1,834	1,722	2,565	2,135
	1947	594	342	749	910	772
Northern Sask.	1942	445	687	681	-	627
	1947	944	1,012	908	-	975

All farm types in west central Saskatchewan suffered reduced labour earnings between 1943 and 1947. The greatest reduction occurred on crop farms, since the largest part of their income was derived from crops. The average labour earnings in this area were only slightly more than one-third of the 1943 figure. In northern Saskatchewan, all farm types had an increase in labour earnings, the greatest increase occurring on crop farms. The increase on all farms of the area was 55 per cent.

There are so many non-measurable items to be taken into account in comparing a farmer's real income with that of the urban workers, that an objective treatment of the subject is practically impossible. However, a rough comparison of the money income is afforded by labour earnings.

The average weekly salary and wage in Saskatchewan, in 1947, was \$33.57. On a yearly basis, this amounted to \$1,850. Corresponding yearly average wages and salaries in 1942 and 1943, amounted to \$1,434 and \$1,512, respectively. ^{1/} Farm labour earnings were considerably below the average wage and salary for corresponding years, except in the area of west central Saskatchewan in 1943. The average labour earnings of farms in west central Saskatchewan, in 1943, was more than \$600 greater than the average wage of the wage earners in Saskatchewan.

^{1/} "Canadian Statistical Review" Dominion Bureau of Statistics, Ottawa, June 1948.

Table 22.- Labour Earnings According to Size of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Size of Farm (acres)						All Farms
		0-49	50-99	100-199	200-299	300-449	450+	
West Central Sask.	1943	-	808	1,997	1,580	2,084	3,257	2,135
	1947	-	1,218 a/	760	819	351	1,094	772
Northern Sask.	1942	403	667	614	701	758	1,341	627
	1947	711	851	870	1,103	1,691	1,808	975

a/ Only one farm.

There was generally a direct relation between the size of farm and labour earnings - the larger the farm, the higher were the labour earnings. An exception to this occurred among the farms of west central Saskatchewan in 1947, where farms in the 300-449 acre size group had labour earnings below the smaller sized groups. The incidence of a poor crop resulted in lower labour earnings on the farms in this larger sized group than on the farms in smaller sized groups, a great majority of which were of the mixed and livestock types.

Farm Surplus.- It is often desirable to study the farm business from the standpoint of its capacity for paying off indebtedness or accumulating surplus. Here, one is interested in that which remains from the gross receipts adjusted for change in inventory after deducting farm cash operating expenses, the allowance for depreciation and the farm family's cash living expenses. The value of board and wages of unpaid labour are part of that surplus, since these items are not a cash expense. Comparative farm surpluses from the two areas, by types, are shown in Table 23. These surpluses are for the farm units as a whole. On rented or partially rented farms, the operator's farm surplus would be lower than the returns shown in Table 23. The farm surpluses shown in the table indicate, then, the debt-paying ability of the farm unit and not of the operator.

Table 23.- Farm Surplus According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm					All Farms
		Crop	Livestock	Mixed	Whole Milk		
		- dollars -					
West Central Sask.	1943	2,036	1,333	1,507	2,119	1,784	
	1947	- 296	- 62	- 56	- 62	- 131	
Northern Sask.	1942	72	226	402	-	224	
	1947	68	- 138	- 3	-	- 69	

In Table 23 is shown a decrease in farm surplus in all farm types, in both areas, between 1942 and 1947. Contributing to the decrease was the increased cost of living. In the west central area, the reduced crop yield in 1946 was also an important factor. The crop yield on farms in the northern area was slightly lower in 1947 than in 1942, and this had some effect on the farms surplus figures. All farm types, in both areas, except crop farms in northern Saskatchewan, had farm deficits in 1947. This means that, on the average, when all costs have been deducted and if living standards are not lowered, no surplus remains for the paying of debts, improving living standards, or expansion of the farm.

Farm surplus in the earlier period, in all farm types, was above zero and indicated varying degrees of debt servicing capacity. The average farm surplus on farms of the northern area, in 1942, was \$224. An annual net income of \$200 would pay off a debt of \$2,000 in 14 years at 5 per cent. The farm surplus on farms of west central Saskatchewan was \$1,784 in 1943. An annual net income of \$1,800 would pay off a debt of about \$18,000 in 14 years at 5 per cent.

The average farm capital in the northern area in 1947 was about \$9,600. In order to pay the debt in equal payments over 15 years at 5 per cent, the farm surplus required would be about \$920. A farm surplus of \$682 would pay off the debt in 25 years at 5 per cent. In the west central area, average farm capital in 1947 was about \$16,300. At 5 per cent and with 15 years to pay, the annual payment required would be \$1,157. These annual payments would be considerably above the productive capacity of the farm as shown by the net income figures in Table 23.

Average Progress of Farmers.- Four measures of farm returns have been discussed. All relate to the returns of the one year studied. The returns, therefore, are affected by the weather and other characteristics of the year in question. In areas like west central Saskatchewan, where wide variations exist from year to year, such measures have limited application in showing long-run productivity of a farm. A better indication of such is the average progress made over a number of years. This can be measured by the average yearly change in net worth.

The enumeration included the farmer's net worth at the start of farming operations on his present farm, as well as the net worth at the time of the survey. The difference in the two net worth figures gives total gain in net worth during his operation of the farm. The total gain divided by the number of years operated by him gives the average gain in net worth per year.

The average yearly gain on all farms in both areas from 1942-43 to 1947, was very much higher than the average yearly gain for the other periods (Table 24). The period from 1942 to 1947 was characterized as being generally prosperous and the early period included the depression years of the thirties. Farm real estate, equipment and inventory, currently owned, were valued at the current prices of the year of the survey.

Table 24.- Average Yearly Change in Net Worth According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area and Period	Type of Farm				
	Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars -					
West Central Sask.:					
Start to 1943	488	378	509	674	521
" " 1947	880	614	833	1,003	863
1943 to 1947	1,895	1,342	1,580	2,282	1,860
Northern Sask.:					
Start to 1942	254	71	180	-	131
" " 1947	825	358	620	-	499
1942 to 1947	1,756	834	1,228	-	1,082

Prices in 1947 were considerably higher than in 1942 and part of the change in net worth was due to this fact. Most of the farms had undergone some improvements and expansion since 1942. It is not possible to distinguish between that part of the annual increase due to improvements and expansions and that part due to higher valuations.

There was a fairly significant difference, too, between the average yearly gains made on farms of west central Saskatchewan, compared with the gains made on farms of northern Saskatchewan. The average yearly net gain of west central Saskatchewan farmers was greater than that of the northern Saskatchewan farmers. The wide discrepancy between the average progress of the two areas was probably due in part to differences in the stage of development of the areas. The area of northern Saskatchewan was a relatively new area. Progress was slow or at a standstill until the cultivated acreage increased beyond a certain point. The previous study in this area ^{1/} showed, that in terms of the then prevailing cost-price relationships, nearly seventy-one acres of cropland were required to meet operating expenses, maintain the farm capital and provide for family living at then existing standards. Since the northern areas were more recently settled, a greater proportion of the time included represented a developing stage when little financial progress was made. The area of west central Saskatchewan, on the other hand, represented a stage of settlement which was comparatively mature and progress in terms of absolute gain was correspondingly great.

LABOUR REQUIREMENTS

The increased use of power machinery between the two periods studied brought about a steady increase in the acreages handled per man. There was

^{1/} R.A. Stutt and H. Van Vliet, op. cit., p. 56.

a substantial movement of workers away from the farms into the armed services and industry.

The amount of paid and unpaid labour used on farms in the two studied years is shown in Table 25. Unpaid labour refers to the amount of work done by the family, exclusive of the operator, for which hired labour would have been required if the family labour were not available.

Table 25.- Paid and Unpaid Labour According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- months of labour -						
West Central Sask.	1943	4	6	7	12	7
	1947	4	4	3	9	5
Northern Sask.	1942	5	6	5	-	5
	1947	7	3	2	-	4

The average labour requirements per farm, in addition to operator's labour, decreased between 1942-43 and 1947. For the area of west central Saskatchewan, hired and unpaid labour was reduced by two months during this period, and in northern Saskatchewan the decrease amounted to one month. These reductions in labour requirements occurred in spite of the increase in size of farm. The average size of farm in west central Saskatchewan increased by 48 cropland acres and one livestock unit, and the increase in northern Saskatchewan amounted to 30 cropland acres and three livestock units.

Some of the reduction in labour requirements, in west central Saskatchewan, resulted from the decreased crop yield. Extra labour had to be hired to handle the large 1942 crop and some reduction in labour requirements was made because of the light 1946 crop. In northern Saskatchewan, However, crop yields in the two years were comparable and the reduction in labour requirements can be assumed to a large extent, to be due to increased labour efficiency.

The reduction in labour employed took place on all types except crop farms. In fact there was an increase in months of labour on crop farms in northern Saskatchewan, probably because new land had been brought under cultivation during the interval between the two surveys. The greatest reduction in the amount of unpaid labour occurred on mixed farms.

While the foregoing indicates a general decrease in the amount of paid and unpaid labour used on farms, it may not indicate a proportionate decline in actual labour input. The wartime labour shortage probably necessitated greater exertion on the part of the operator, in terms of hours per day. The objective measurement of the increased hours worked

by the operator, and therefore, comparison of actual labour input for the two periods, is difficult to make. It is reasonable to conclude, however, that some increase in labour efficiency occurred between the two years of the survey.

FARM CAPITAL

An important consideration in the farm business is farm capital requirement. For prospective farmers, the requirement of capital is of prime importance and it is this factor which probably establishes their position with respect to tenure. For well-established farmers, who have complete equity in their holdings, their capital investment represents a cost in terms of possible alternative returns. The requirements of farm capital determine when an operator can make the change from the position of tenant to that of owner.

Physical Expansion and Higher Prices

Two important factors had had a pronounced effect on the change in average farm capital during the four or five years preceding 1947. The first was the general prosperity in terms of favourable prices and generally favourable crop yields. This allowed considerable capital expansion in increased land holdings, building improvements and new machinery and equipment. The second factor, probably of equal or greater importance, was the rise in the price level itself. Not only had the improvements and increased holdings been valued at a higher price, but the same land, buildings and machinery that were owned at the time of the first survey, had also been given higher values. Depreciation on buildings and machinery had decreased their worth in terms of years of remaining usefulness, but in some cases this had been offset and in others more than offset by the increased valuations placed on them. Thus, in the consideration of changes in farm capital investments from 1942 to 1947, significant increases can be expected. The extent of these increases is shown in Table 26. These figures of average farm capital are for the farm unit as a whole, including both the operator's and landlord's capital in the farm business.

Table 26.- Average Farm Capital and Percentage Increase According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	12,185	6,816	9,171	12,597	10,479
	1947	18,659	10,433	13,851	18,966	16,349
- percentage increase -						
		53	53	51	51	56
- dollars -						
Northern Sask.	1942	7,698	3,742	7,841	-	5,367
	1947	16,037	7,054	11,260	-	9,563
- percentage increase -						
		108	89	44	-	78

These increases were significant when considered in terms of absolute amounts. The average farm capital in west central Saskatchewan in 1943 was somewhat over \$10,000. By 1947, average farm capital had increased to over \$16,000. In northern Saskatchewan, the average farm investment in 1942 was approximately \$5,000. In 1947 it was nearly \$10,000.

In both areas and in both years of the survey, crop farms had the highest investment in real estate. Again, in the west central area, the increase was quite uniform in all farm types. In northern Saskatchewan, there was a wider variation in the increase of real estate investment.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	7,984	4,006	5,650	7,220	6,415
	1947	13,162	6,694	8,931	11,671	10,695
- percentage increase -						
		65	67	58	62	67
- dollars -						
Northern Sask.	1942	5,239	1,947	5,192	-	3,269
	1947	11,394	3,909	7,261	-	5,962
- percentage increase -						
		117	101	40	-	82

Machinery and Equipment

Investment in machinery and equipment constituted the next largest item in farm capital; the changes in machinery and equipment investment are shown in Table 28.

Table 28.- Average Machinery and Equipment Investment and Percentage Increase According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	2,065	1,219	1,545	2,285	1,825
	1947	3,760	1,785	2,902	3,821	3,259
- percentage increase -						
		82	46	88	67	79
- dollars -						
Northern Sask.	1942	1,516	674	1,453	-	1,003
	1947	3,870	1,552	2,522	-	2,171
- percentage increase -						
		155	130	74	-	116

The investment in machinery and equipment made up about 20 per cent of the total farm capital. Of the farms in the west central area, whole milk farms had the highest investment in machinery and equipment; this was due to the greater diversity of operations.

In northern Saskatchewan, the average investment in machinery and equipment more than doubled on all farms, indicating the marked trend toward mechanization.

Contributing to the large increase in machinery and equipment investment in both areas was the backlog of machinery requirements. The backlog was built up during the 1930's, when farmers could not afford to buy as much machinery as they required and in the war years when machinery was difficult to obtain. During the post-war period, this backlog along with the accumulated funds created a tremendous demand for farm machinery. A farm machinery survey ^{1/}

^{1/} "Farm Machinery Requirements in Saskatchewan," J.D. Neilson and M.E. Andal, Economics Division, Canada Department of Agriculture, Mimeographed Bulletin. July 1, 1945.

made in 1944 indicated that, for important kinds of farm machines, the number required exceeded by a considerable margin the number that were in use. The survey also indicated that the requirement for heavier, power-type machines was higher in the parkland area than in the prairie region. This suggestion is borne out by the proportional increase in the investment in farm machines in the two areas.

Livestock

The investment in livestock did not change as much as most of the other items. In the area of west central Saskatchewan, the investment in livestock increased by slightly more than \$200 or somewhat over 10 per cent. The increase in livestock investment on whole milk farms was slightly over 15 per cent. A larger increase in livestock investment was noted in northern Saskatchewan, where the overall increase amounted to nearly 50 per cent. The increase occurred in mixed and livestock farms.

In summary, average farm capital increased greatly from 1942-43 to 1947 in both areas. The greatest increase occurred in northern Saskatchewan, where farming was changing from a pioneer to a more mature stage of development. In both areas, real estate constituted the greatest proportion of farm capital, but the greatest increase in capital occurred in machinery and equipment. While a considerable proportion of the increased capital resulted from higher valuations being placed on inventories in 1947 than in 1942, the large increase in farm capital does indicate a substantial addition to farm inventories.

FARM DEBT

Farm debt accumulated during the 1930's. It is likely that it had begun to decrease by 1942. A comparison of debt in 1942-43 and in 1947 shows that farm debts were reduced considerably during this period (Table 29).

Table 29.- Farm Debt According to Type of Farm, West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
		- dollars -				
West Central Sask.	1943	2,575	1,542	2,128	1,892	2,092
	1947	1,594	658	1,098	1,044	1,151
Northern Sask.	1942	1,080	618	1,202	-	827
	1947	463	219	596	-	352

In the area of west central Saskatchewan, crop farms had the highest debt in both years of the survey and livestock farms the lowest. Between

1943 and 1947, debt was reduced by nearly one-half. The greatest proportional debt reduction took place on livestock farms. Although debt reduction on crop farms amounted to nearly \$1,000 for the period, these farms had the lowest proportional reduction of all the farm types in the area.

In the area of northern Saskatchewan, even greater advances were made in the reduction of farm debt. Again, livestock farms showed the greatest proportional decrease, the average debt in 1947 amounting to only one-third of the 1942 figure.

The reduction in farm debt is of greater significance when considered on the basis of debt per cropland acre. The total debt was reduced at the same time the average acreage was increased. In west central Saskatchewan, the average debt per cropland acre decreased from \$6.25 in 1943 to \$3.00 in 1947. In the area of northern Saskatchewan, the debt per acre of cropland in 1942 and 1947 was \$6.45 and \$2.23, respectively. Generally, the debt load carried by farms in 1947 was well within the debt carrying capacity of the farm.

LEVEL OF LIVING

An important objective of farm business studies is to determine the amount of farm income that can be obtained under the different types of farm organization. The amount of income, in turn, determines the level at which farm family living can be maintained. This study was carried out in conjunction with one on changes in levels of living in representative areas of the Prairie Provinces. The report on the latter study indicates in detail the changes in levels of living between 1942-43 and 1947. 1/ Only the major changes will be referred to in this report.

A scale was constructed to measure the level of living of the farm family: 2/ The scale ranged from a low of zero to a high of 27 points. Changes in the level of living score between the two years of survey are shown in Table 30.

1/ "Changes in Farm Family Living in Three Areas of the Prairie Provinces, 1947", M.A. MacNaughton and M.E. Andal; Economics Division, Department of Agriculture and Department of National Health and Welfare, Ottawa, in co-operation with the Universities of Alberta and Saskatchewan, publication 815, February, 1949.

2/ The level of living scale of rural Western Canada developed by Miss Edwards in 1943 provides a measure which reflects the long-time accumulation of material and cultural possessions and participation of family members in group activities, and relates them to the prevailing average standards of those of the entire population in the district in which interviews were made. Miss Edwards' scale included 27 items. The levels shown by scores of these items are relative; the highest possible score is 27.

Table 30.- Level of Living Score According to Type of Farm,
West Central and Northern Saskatchewan, 1942-43 and 1947.

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- score -						
West Central Sask.	1943	15	13	14	17	15
	1947	18	14	17	19	17
Northern Sask.	1942	9	6	9	-	7
	1947	16	10	12	-	11

In both the west central and northern areas of Saskatchewan, levels of living rated higher in 1947 than in the earlier years. The change was greatest for the northern farm families. It will be recalled (Table 21) that the average labour earnings of the northern farmers were 60 per cent higher in 1947 than in 1942. However, in 1947, average labour earnings of the west central Saskatchewan farmers were much less than in 1943. The decreased earnings of 1947 in west central Saskatchewan, while no doubt retarding the rise in level of living experienced following the high labour earnings of the earlier year, did not wipe out all the gain made.

The whole milk farms, with the highest labour earnings, rated highest in level of living in the earlier year, and showed a gain in the living score as did all other types, by 1947. The labour earnings in the latter year on whole milk farms were only slightly less than those of other types in the northern area.

The marked rise in the level of living score of the northern Saskatchewan families is indicative of their more recent emergence from pioneer conditions. The rise was smaller for west central Saskatchewan families since their early development stage had passed.

In 1947, it appeared reasonable to expect that, unless a drastic decline in prices should occur, good progress in the development of northern Saskatchewan farms toward increased earning capacity and a higher level of living would likely continue. Some progress in this direction might also have been expected on the farms in west central Saskatchewan although at a somewhat slower rate with the settlement more mature and with crop income more uncertain.

SUMMARY AND CONCLUSIONS

There was some change in the distribution of farms according to type. In the west central area the shift seemed to have been in a reduction of mixed farms and an increase in whole milk farms. In the northern area, there was a decrease in the number of crop farms and an increase in the number of mixed farms.

There had been an increase in size of farms in both areas. The increase in cropland acreage amounted to 14 per cent in the west central area and to 23 per cent in the northern area. In both areas, crop farms showed the greatest increase. Much of the increase in cropland acreage in the northern area, was made by the improvement of land already possessed, in contrast to the purchase or renting of additional land in the west central area. There was a slight increase in livestock numbers in the west central area and a somewhat greater increase in the northern area.

There had been a significant trend toward land ownership in both areas. In 1947 about 60 per cent of the farms in the west central area and 85 per cent of the farms in the northern area, were fully owned. In comparison, only 37 per cent of the farms in the west central area and 68 per cent of the farms in the northern area, were fully owned in 1942.

Whole milk farms were less seriously affected by the low yields of 1947. For farmers who happen to be situated in localities where there is a whole milk market, a whole milk type of farming would seem to provide the best opportunities for stable and high returns. However, opportunities for a whole milk type of farming in Saskatchewan are extremely limited. Thus, while this study indicated that whole milk farms appeared to make greater financial progress than other farm types, there can be no large expansion in numbers of whole milk producers.

All farm types in the northern area had increases in income for the period from 1942 to 1947. Crop farms showed the greatest increase. Income on the farms in the northern area exceeded that on farms in the west central area, in 1947.

The net worth of farm operators increased by nearly 100 per cent in the west central area and by slightly over 100 per cent in the northern area. Some of the increase was due to an increase in actual goods, although a considerable proportion was due to higher inventory values in 1947.

Average progress since the start of farming operations was greater on farms of the west central area. The large increase in cash transactions of farms in the northern area indicated a change from a relatively self-sufficient pioneering type of farm organization to a more interdependent, commercial type.

Further indications of general progress in the two areas were debt reduction, increased capital and living expenditures, and higher levels of living. Average farm debt was reduced by one-half in both areas. Capital expenditures more than doubled. The level of living score in the west central area increased, from an average of 15 to an average of 17 points out of a possible 27. In the northern area, the increase was twice as large. In 1942, the level of living score was only seven and by 1947 had increased to an average of 11 points.

Changes in the farms of the northern area, for the five-year period, were significant of progress. The development, however, was far from complete. It could be expected that farm size and income would continue to increase and levels of living to rise. The relatively stable and growing income would

allow some expansion in services and conveniences within the financial means of the farm family. Changes in farms of the west central area were proportionately less than the changes in farms of the northern area. Farms of the west central area had reached a more mature stage of development. Future changes there could be expected to be less far-reaching than those in the northern area.

APPENDIX A

The crop category was established on the basis of the yield for the major crop on each farm. Limits for the various categories were set, keeping in mind the normal crop yield for each area. In the area of northern Saskatchewan, the margin of crop failure was assumed to occur at a point higher than that in west central Saskatchewan. The basis for establishment of crop categories was as follows:

West Central Saskatchewan

	<u>Wheat</u>	<u>Barley</u> - bushels per acre -	<u>Oats</u>
Failure	3 and less	3 and less	3 and less
Low	4 - 10	4 - 15	4 - 20
Medium	11 - 16	16 - 22	21 - 27
High	17 and over	23 and over	28 and over

Northern Saskatchewan

	<u>Wheat</u>	<u>Barley</u> - bushels per acre -	<u>Oats</u>
Failure	5 and less	5 and less	5 and less
Low	6 - 15	6 - 20	6 - 25
Medium	16 - 22	21 - 27	26 - 32
High	23 and over	28 and over	32 and over

APPENDIX B

1. In calculating the landlord's sales of grain, the same price that the operator received was used. If the operator did not sell any grain, the farm price of grain was used.
2. For the calculation of seed inventories, a rate of \$1.25 per acre was used for wheat, oats, barley, rye and flax, and 50 cents per acre for grasses and legumes.

3. To obtain values for feed and supplies for the beginning and ending inventories, the farm price of the grain was used.
4. The following prices were used in determining the value of farm produce and livestock used on the farm:

Milk	20¢ per gal.
Cream	30¢ per qt.
Butter	31¢ per lb.
Eggs	26¢ per doz.
Honey	20¢ per lb.
Home-grown and	
Wild Fruits	20¢ per qt.
Potatoes	\$1.31 per bus.
Wood	\$2.00 per load
Hides	\$3.00 per hide
Wool	27¢ per lb.

Meats

Beef	16¢ per lb.
Pork	24¢ per lb.
Mutton	17¢ per lb.

Poultry

Chickens	\$1.00 per bird
Ducks	\$1.50 per bird
Geese	\$3.00 per bird
Turkeys	\$4.00 per bird

5. To calculate present value of general equipment which was purchased during the year, 10 per cent was deducted from the purchase price.
6. Depreciation on special equipment was in accordance with a schedule of rates which varied according to the age of the machine. Repairs were deducted from this amount. Depreciation on general equipment was calculated at the rate of 19 per cent on present value less repairs.
7. To calculate the cash value of unpaid labour, excluding the operator, the rates for unpaid labour were obtained by tabulating the wage rates of paid labour.
8. An inventory increase of \$9 per acre was allowed on land broken during the year, if the farmer broke the land himself, and an increase of the actual cost was made when the work was hired.
9. A depreciation rate of 15 per cent was used for household goods.

APPENDIX C

Average Labour Income According to Type of Farm,
West Central and Northern Saskatchewan, 1942-43 and 1947
(Calculated with Interest Charged at Five per cent on borrowed
capital and three per cent on the balance)

Area	Year	Crop	Livestock	Type of Farm		
				Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	1,976	1,459	1,435	2,309	1,813
	1947	121	327	366	583	356
Northern Sask.	1942	171	393	391	-	344
	1947	429	334	419	-	371

Average Labour Earnings According to Type of Farm,
West Central and Northern Saskatchewan, 1942-43 and 1947
(Calculated with Interest Charged at five per cent on borrowed
capital and three per cent on the balance)

Area	Type of Farm					
	Year	Crop	Livestock	Mixed	Whole Milk	All Farms
	- dollars -					
West Central Sask.	1943	2,465	1,925	1,826	2,735	2,262
	1947	875	1,014	980	1,235	1,038
Northern Sask.	1942	553	746	790	-	705
	1947	1,218	1,145	1,100	-	1,145

APPENDIX D

Wheat sales and the various measures of net returns were calculated on the basis of the initial price for wheat. Final payments had been made on the 1941-42 and 1942-43 crop. Additional payments for the two years were \$0.15 and \$0.125, respectively, for No. 1 Northern wheat ¹/ delivered to the Wheat Board. The 1946-47 crop is included in the five-year pool ending July 31, 1950. Final settlement for wheat marketed during this period will not be made until sometime

¹/ These "Participation Payments" varied according to grade.

after that date. Up to September 1949, two increases had been made in the initial wheat price to farmers for wheat delivered during this five-year period. One increase of \$0.20 per bushel became effective April 1, 1948 and the other increase of \$0.20 per bushel became effective April 1, 1949. Both increases in initial price were retroactive and covered all wheat marketed after August 1, 1945.

Further payments were also made on oats and barley. On the 1942 crop account, the additional payment ("Equalization Payments") was \$0.024 for oats and \$0.0143 for barley. On the 1946 crop account, additional payment for oats was \$0.03623 and for barley was \$0.10. Since crop sales for the areas concerned consist mainly of wheat, only this crop was used in the compilation of the table following.

These additions to the initial payment constituted a significant increase in the net returns shown for farms of both areas, particularly for the latter year (1946-47). While additional payments of \$0.15 per bushel were made on the 1941 wheat crop, only a small proportion of the farmers delivered their wheat to the Wheat Board at that time. Open market prices were considerably above the initial Wheat Board price and most farmers preferred to accept the higher known price than to wait for possibly higher but unknown prices. Forty-four per cent of the 1941-42 wheat crop was marketed through the Wheat Board. During the next crop year, 62 per cent of the wheat was marketed through the Wheat Board. In September, 1943, wheat futures trading was discontinued in Winnipeg and all wheat was then marketed through the Board.

In order to provide an indication of the amount that crop sales and net returns increased because of the additional payments for wheat, the following table is presented. This table indicates the approximate amount that has been received since the survey by farmers on their respective wheat accounts. If the amounts had been known at the time of the survey, they would have been listed as accounts receivable. These figures, then, could be added to those in Tables 10, 13, 19, 20, 21 and 23 to show actual returns. Adjusted to a per-acre basis, they could be added to those in Table 14 and, sorted by size of farm, to those in Table 22.

Average Additions to Crop Sales and Returns Per Farm Resulting from Further Payments on Wheat a/

Area	Year	Type of Farm				
		Crop	Livestock	Mixed	Whole Milk	All Farms
- dollars -						
West Central Sask.	1943	240	90	200	130	170
	1947	600	140	310	310	370
Northern Sask.	1942	110	30	100	-	60
	1947	670	130	330	-	270

a/ These figures are based on No. 1 Northern wheat assuming that all wheat was delivered to the Wheat Board.

